

NATIONAL INTELLIGENCE ESTIMATE

NUMBER 85-2-62

(Supplements NIE 85-62)

The Situation and Prospects in Cuba

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE
Concurred in by the
UNITED STATES INTELLIGENCE BOARD
As indicated overleaf

1 AUGUST 1962

APPROVED FOR RELEASE DATE 6 FEB 1986

THE SITUATION AND PROSPECTS IN CUBA

THE PROBLEM

To analyze the situation in Cuba and to estimate the prospects over the next year or so.

CONCLUSIONS

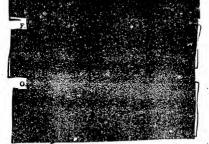
A. Fidel Castro has asserted his primacy in Cuban communism; the "old" Communists have had to accommodate themselves to this fact, as has the USSR.

B. By force of circumstances, the USSR is becoming ever more decyly committed to preserve and strengthen the Castro regime.

C. The Circan armed forces are loyal to the personal leadership of the Castro brothers. Their capabilities have been and are being greatly enhanced by the Soviet Elec's provision of military equipment and instruction. D. The Cuban armed forces are well able to intimidate the general population and to suppress any popular insurrection likely to develop in present circumstances. They are probably capable of containing and controlling any threat to the recime through reurilla action

E The Cuhan economy is in deen trouble

in part because of agricultural and industrial mismanagement. Despite remedial measures, it is unlikely that agricultural and industrial production can be significantly increased within the next year or sa



H. The Castro regime still seeks to lead the "inevitable" revolution throughout Latin America, but its prececupation with domestic problems tends to limit its affirity in this

SECNET

respect. In Latin America there is widespread disillusionment regarding the Cuban revolution. Nevertheless, militant pro-Castro groups exist in several countries, and Guban subversive activity could prove effective in certain unstable situations:

DISCUSSION

- 1. Developments in 1962 have tended to define more clearly the relationships between Castro and the leaders of the prerevolutionary Cuban Communist Party (PSP) and between Castro and the USSR. For the time being, at least, Castro has established his primacy in Cuban (ommunism, and the PSP and USSR have been constrained to accommodate themselves to that situation.
- 2. Differences between Castro and the "old" Communists of the PSP developed in 1961 and reached a climax in early 1962. Castro had accepted "old" Communists in every branch of his government and Lad relied heavily on them for their expertise. However, he was anxious to preserve his own authority as leader of the Cuban revolution and wanted the "new" Communists-his followers of the 26th of July Movement-to play a role at least equal to that of the veteran PSP members. Castro was also anxious to have Cuba accepted as a member of the "Socialist camp" and resented the appellation of "national democracy" (as opposed to "socialist democracy") which was invented for Cuba in 1960 at a world congress of Communist Party leaders Li Moscow. The Soviets were reluctant to make these concessions to a recime that they did not consider to be Communist and that was not under their firm control.
- 3. Castro kept up the pressure for full recognition, proclaming Cuba a socialist state and himself a Marchit-Leninist. Meantime elements of the PSP pushed abead as rapidly as possible to establish "old" Communist control of Cuba through the machinery of the Integrated Reviousnary Organizations (ORI), an interim party set up to bring together the various political forces behind the regime and

- create a single dominant political party. Veteran Communist Anibel Escalante, the organizing secretary of ORI, was the key figure in this effort.
- 4. The result was a head-on clash between the "old" Communists and Castro, who realized that they were threatening his position and that of his loyal followers of the 26th of July Movement. After careful maneuvering a new National Directorate for the ORI was agreed upon, in which power was shifted from "old" to "new" Communists. Then on 26 March Castro denounced Anibal Escalante and by implication all "old" Communists for seeking to dominate the Cuban revolution.
- 5. Further reorganization of the ORI and of other elements of the regime's political machinery followed, with the general effect of strengthening the position of the "new" Communists. These changes, however, can by no means be described as a wholesale purge of the veteran Communists. Many, including Blas Roca, the PSP chairman, have remained in important positions and Castro has made it clear that the differences between "old" and "new" Communists are not over the goal of communizing Cuba. The overall effect of the "Escalante affeir," and of the changes in the regime which followed, was the assertion of Castro's personal leadership of Cuban communism.
- 6. Neither the PSP nor the Boviets proved willing to contest the issue with Castro. Bod mored quickly to acknowledge his authority and to reafirm their close ties with him Bias Roca gave his approval to Castro's move against Escalante.

SECRET

Moscow then proceeded to eledite Cuba in the "socialist" hierarchy by placing it next after the Bloc states and ahead of Yugoslavia on the list of May Day greetings and by such minor but signaficant moves as referring to the Cuban premier as "Comrade Fidel."

7. In yielding to Castro's desire to have Cuba brought into a closer relationship with the Bloc, the Soviet leaders have made a sigsificant concession. That they should not done so, fully aware of Castro's undsciplined nature, is a measure not only of the importance they attach to Cuba, but also of the sarrow field of choice once to them.

8. The Soriet Union has also made a considerable concession in its agreement to supply a line of credit for the purchase of consumer goods. It has, in effect, restimend its willingness to pay the increasing costs of keeping Cuba affoat, despite the Cuban's failures in the field of economic reorganization and

development.



they recognize that he will remain, on the whole, an asset for some time to come.

10. On balance, Castro is in a stronger posi-

tion now than appeared likely a few months ago. He has asserted his leadership and it has been accepted by the USSR and by the "old" Communists in Cuba. He has demonstrated remarkable political skills and an ability to engage in carefully calculated maneuvers which had been obscured by his generally erratic and hombastic behavior. He seems to be well in control of the apparatus of government and security. His attack on Escalante and the efforts of the "old" Communists and the reshuffling of the top leadership of the ORI and the armed forces have apparently satisfied the majority of the "new." Communists, who were becoming restive. At the same time he has retained the cooperation of the "old" Communists and the USSR. He probably believes that he can handle them and that both the "old" Cuban Communists and Moscow must continue to accept him as the indispensable man in Cuba.

11. The USSR is becoming more deeply committed to the preservation and advance-



12. The capabilities of the Guban armed rees to suppress insurrection or repel in-sion have been greatly enhanced by the oe's protision of militiary equipment and struction and by a thoroughgoing reorganistion initiated in the fall of 1960. This reganization and concemitant training promains are now well advanced, although not impleted.

13. Up to all 8loc military advisers and structors are believed to be now in Coulato advisers are probably assigned to the incipal staffs throughout the military estabment. Most of the instructors are stamed at established military schools and aining area. In addition, several bundred
whan military personnel have received or are
ceiving military instruction in Bloc coun-

14: Almost certainty the present military stabilishment as a whole is politically reliable. Successive defections and purges have iminated the seriously distillected elements, he principal commanders have been selected or their personal loyalty to the Castro rothers. Great attention has been paid to see political indoctrination of the troops: forals, probably has been adversely selected, a some instances, particularly among reserve amponents, by the discontent of the general opulation. However, the military establishment as a whole will almost certainly support and defend the Castro regime, unless fits overhow seems insminent.

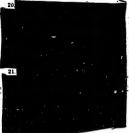
\15. The Cuban ground forces are believed to consist of a standing army of about men and a ready reserve of about men. Some of the standing army personnel serve as full-time cadres in ready reserve units. In-addition, there are homeguard type millita units numbering about men.

16. The standing army has received intensive training in the use of flice supplied arms and equipment and tactical training through the battalion combat team level. It has acquired capabilities for the combat employment of armor and artillery (thoulding antiasterati and antitank weapons) hitherto unknown in any Caribbean country.

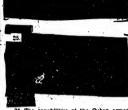
17. The ready reserve battallons are less heavily armed and less thoroughly trained. Each has a full-time cadre varying from the second of the

18. The homeguard militin units have no significant combat capability. Their function is to augment the police as necessary to control the population.





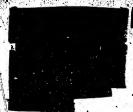
22. The Cuban ground forces are well able to intundate the general population and to suppress any popular insurrection likely to develop in present circumstances. They have not been able to eliminate the low lagel of sporadic guerrilla activity which now exists in Cuba, but they are probably capable of containing and controlling any threat to the resime through cuerrilla activity.



26. The capabilities of the Cuban armed forces will continue to improve through further training and experience. The Bloc will almost certainly continue to support this development through the provision of equipment, instruction, and advice.



26.



0. Mid-year 1952 finds the Cuban economy seepming trouble. A highly vaunted econic plan and the record budget officially sounced for 1962 have by now, for all practically purposes, been chandoned. The pervadistruption which was evident in industry transportation last year manifested itself a year in the agricultural sector as well, at conspicuously in the sugar industry, the y, heart of the economy and the principal net of foreign expéanance.

The 1962 sugar crop was hard hit a prolonged drought, growing epathy and save resistance among the can-coulters, d ban diangerial judgment—such as the islons to reduce the rativol replanting and divert cane land to other crops.

32. With respect to other agricultural products Cuba has clearly not achieved the much needed expansion called for under the regime's plans. Cuba's own production of food has remained insufficient to support the population, and food rationing has become necessary. Meanwhile, in the industrial sector the deterioration of plants, equipment shortages, poor quality of raw materials, and gross mismanagement continue. Because of the US embargo and the shortage of foreign exchange, the Cubans have not been able to find adequate sources for the machinery and parts. formerly imported from the US and other Western countries. Only the first beginnings have been made in the reconstruction of Cuban industry with Bloc equipment;

Mismanagement of plants by unqualified personnel, often selected for their political reliability, continues to be the rule.

33. The regime has responded to the agricultural crisis with a series of changes in policy and organization.

New regulations have been announced casing governmental controls over private farmers and tightening controls over the collectivized sector of agriculture.





35. Cuban economic prospects for the ramainder of 1962 and for 1963 are bleak. Cubwill not be able to build up significantly its dangerously low holdings of convertible foreign exchange. The expected increase in capital imports from the Bloc is unlikely to bring about net grough of Cuba's economy in the next 18 months.

The effect of the new agricultural policy remains uncertain; in any case it could not result in a significant increase in production within the next year or so. Supply and management problems will continue to plague industry; transportation difficulties will probably get worse. No subsiantial overall improvement in the Cuban economy is likely to occur for several years.

IV. Service Market

36. Active support for the Castro regime has declined

The hard core of this support consists of those who have a vested interest in the revolution, especially the new managerial class and the Communists. Others support the revolution breause they have been influenced by lider, transmit and participation in the mass or contrations.

. . .

37. Disaffection is increasing primarily because of the growing inability of the growing cause of the growing inability of the growing for provide the growing decrees to similar most of the Chief and the growing of the construction of the growing of repetitions propagands. One factor which is likely to have an increasingly adverse effect on public attitudes is the deterioration of public health, conditions and services. §

38. The majority of the Cuban population has for some time been indifferent toward the regime.

39. In the past four months Fidel Castro and other regime spokesmen have themselves acknowledged two causes of popular discontent and have begun corrective measures. One of these is the dissetisfaction and insecurity aroused by the increasingly obvious "old" Communist takeover which threatened to desiroy the loyalty of a large segment of the "new class" until Castro took action in March. The other is the fear of collectivization on the part of farmers, which the regime has also taken steps to allay. Public hostility to Communist regimentation is likely to continue to be a factor in the ability of the regime to controi the population, but it is the effect of such regimentation on them personally, rather than communism itself, that seems to arouse

thely to continue to provoke discontent.

41.

V.

42. There has been some increase in active resistance to the Castro regime despite its massive and expanding security apparatus and its constant efforts to intimidate, harass, and immobilize those who take action against the government. The armed forces are used extensively to guard against sabotage, to control public demonstrations against the regime, and to sweep areas of rebel activity. The Ministry of Interior, run by a loyal Castro follower, exercises checks and controls over the Cuban public through its extensive police apparatus, its network of informants in the Committees of Defense, and the antisabotage People's Defense organization. Between 400 and 500 thousand Cubens-one in every 14are involved in this elaborate security machinery.

the Cubans Increasing communication is 300 43. This widespread security effort by the Castro government does effectively limit and harass the active opponents of the regime Nevertheless, there are at least six nationwide resistance groups in Cuba with a claimed membership ranging from a few hundred to a few thousand, only a small part of whom are active at any one time.

45. There is some coordination of the activities of the national organizations and there

have been reports of a recent agreement among them for unified action. In practice, however, activities tend to be planned, diareted, and carried out on a local level.

47 At present the primary effect of resist-ance operations is psychological: they are an embarrasament to the regime and force if to commit large resources to meet security re-quirements.

50.



\$2. Castro seems to flave no doubts about the desirability of facing the rest of the world as a member of the "Socialist camp." He will continue to associate Cuba with the Blog and to see! to make the most of Soviet commitments. For their part, the Soviets must regard the situation in Cuba as a net gain for their international position, despite the misgings they must feel about the Latin American reaction to the proclamation of an arowedly Communist regume in Cuba.



53. Castro's ritriolic anti-US position contunes unchanged. Anti-Americanism is deeply ingrained in the regime and in much of the Cuban populace. The authority of the regime depends in significant part on its co-far successful diffance of the US, and the regime is unlikely to see any advantage to be gained by changing its attitude toward the US.

54. The Guban regime continues to try to appeal to the Afro-Asian neutralist Moc, even while proclaiming its adherence to Marxism-Leninism. It seeks to play a role at such neutralist-sponsered conferences as the "Vorid without the Bomb" meeting in Ghana and the underdeveloped antions economic conference

in Cairo. However, the conduct of the Cuban emissaries at these meetings has generally been such as to antagonize the Afro-Asian neutrals.

55. The appeal of Castroism has dimmed considerably in other Latin American states as consequence of the Cuban leader's avoical of Marxism-Lennissm, his obvious toadying to the Bloc, and the self-acknowledged fallings of the regime. After a period in which Castro and Cuba were the focus of attention through the area, Latin Americans have turned back to their own problems. However, there are milliant pro-Castro minorities in several Latin American states and many neutyalists and protagonists of reform who job with favor on Castro.

56. Mexico, Brazil, Chile, Bolivia, and Uruguay are now the only Latin American countries maintaining diplomatic relations with Cuba. Relations between Cuba and Uruguay have been strained on account of the nearly 400 asylege in the Uruguayan Embassy in Hayana

57. Cuban leaders, although prococupied with domestic problems, still seek to ascert Cuban leadership of the "inevitable" revolution in Latin America. They have been very active in attempts to organize a new and ostensibly neutral Latin American labor organization. Cuba operates schools for indoctrinating and training in guerrilla warfare Latin American atudents who eventually return home to apply what they have learned.

58. Communist parties in other Latin American states have been disturbed by events in Cub, and particularly by the Soviet Union's acceptance of Castro as a Communist. because they feel that the role and the prerogatives of veteran Communists have been cast in doubt. Uruguayan Communists swere disturbed by statement: made by Bias were disturbed by statement: made by Bias Roca at a Communist Party meeting in Montevideo to the effect that it had been demonstrated that a non-Communist could lead a successful revolution against the capitalists and imperialists.

59. The present image of the Castro regime in Latin America is that of a client of the Bloc and a failure in the conduct of its own affairs, particularly in the important area of economic development.





CENTRAL INTELLIGENCE GENCY



27 July 1962

MEMORANDUM FOR THE UNITED STITES INTELLIGENCE BOARD

SULJECT: NIE 85-2-62: THE SITUATION AND PROSPECTS IN CUB:

- 1. The attached draft estimate has been approved by the Board of National Estimates pursuant to a consideration of it by the USIB representatives.
- 2. The attached Annex is classified request of the military services re-resentatives.
- 3. This estimate has been placed on the agenda of the USIB meeting scheduled for 1030 Wednesday, 1 August. There will be no cleanup unless requested by a USIB member.

CHESTER L. CCCPER Deputy Assistant Director National Estimates

DISTRIBUTION A

Partially Declassified/Released on 1-5-89 (F23-758) under provisions of E.O. 12356 by N. Manan, National Security Council Der CIA Letterdaked 25 COT 88



CENTRAL INTELLIGENCE AGENCY

27 July 1962

SUBJECT: NIE 85-2-62: THE SITUATION AND PROSPECTS IN CUBA

THE PROBLEM

To analyze the situation in Cuba and to estimate the prospects over the next year or so,

CONCLUSIONS

A. Fidel Castro has asserted his primacy in Cuban communism; the "old" Communists have had to accommodate themselves to this fact, as has the USSR.

B. By force of circumstances, the USER is becoming ever more Castro deeply committed to preserve and strengthen the Dubes-regime.

C. The Cuban Armed Forces are loyal to the personal leadership of the Castro brothers. Their capabilities have been and are being greatly enhanced by the Soviet Bloc's provision of military equipment and instruction.

ground

intimidate

D. The Cuban semant forces are well able to/oversee the general population and to suppress any popular insurrection likely to develop in present circumstances. They are probably capable of containing and controlling any threat to the regime through guerrilla action

E. The Cuban economy is in deep trouble.

in part because of agricultural and industrial mismanagement. Despite remedial measures, it is unlikely that agricultural and industrial production can be significantly increased within the next year or so.

H. The Castro regime still seeks to lead the "inevitable" revolution throughout Latin America, but its preoccupation with domestic problems tends to limit its activity in this respect. In Latin America there is widespread disillusionment regarding the Cuban revolution. Nevertheless, militant pro-Castro groups exist in several countries, and Cuban subversive activity could prove effective in certain unstable situations



DISCUSSION



- 1. Developments in 1962 have tended to define more clearly the relationships between Castro and the leaders of the pre-revolutionary Cuban Communist Party (PSP) and between Castro and the USSR. For the time being, at least, Castro has established his primacy in Cuban communism, and the PSP and USSR have been constrained to accommunism themselves to that situation.
- 2. Differences between Castro and the "Old" Communists of the PSP developed in 1961 and reached a alimax in early 1967. Castro had accepted "Old" Communists in every branch of his government and he relied heavily on them for their expertise. However, he was amdous to preserve his own authority as leader of the Cuban revolution and wanted the "new" Communists -- his followers of the 26th of July Movement -- to play a role at least equal to that of the veteran PSP members. Castro was also aminous to have Cuba accepted as a member of the "Socialist camp" and resented the appellation of "national democracy" (as opposed to "socialist democracy") which was invented for Cuba in 1960 at a world congress of Communist Party leaders in Moscow. The Soviets were reluctent to make these concessions to a





regime that they did not consider to be Communist and that was not under their firm control:

- 3. Castro kept up the pressure for full recognition, proclaiming Cuba a socialist state and himself a Marxist-Leminist. Meantime alements of the PSF pushed ahead as rapidly as possible to establish "old" Communist control of Cuba through the machinery of the Integrated Revolutionary Organizations (CRI), an interim party set up to bring together the various political forces behind the regime and create a single dominant political party. Veteran Communist Anibal Escalante, the organizing secretary of CRI, was the key figure in this offort.
- 4. The result was a head-on clash between the "old" Communists and Castro, who realized that they were threatening his position and that of his loyal followers of the 26th of July Movement. After careful maneuvering a new National Directorate for the CRI was agreed upon, in which power was shifted from "old" to "new" Communists.

 Then on 26 March Castro denounced Anibal Escalants and by implication all "old" Communists for seeking to dominate the Cuban revolution.
- Further reorganization of the CRI and of other elements of the regime's political machinery followed, with the general

effect of strengthening the position of the "new" Communists. These changes, however, can by no means be described as a wholesale purge of the veteran Communists. Many, including Blas Roca, the PSP chairman, have remained in important positions and Castro has made it clear that the differences between "old" and "new" Communists are not over the goal of communizing Cuba. The overall effect of the "Escalante effeir," and of the changes in the regime which followed was the assertion of Castro's personal leadership of Cuban communism.

6. Neither the PSP nor the Soviets proved willing to contest the issue with Castro. Both moved quickly to acknowledge his suthority and to reaffirm their close ties with him. Blas Roce gave his approval to Castro's move sgainst Escalante.

Moscow

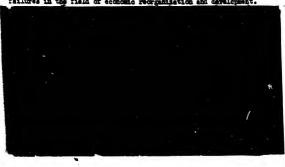
then proceeded to elevate Cube in the socialist hierarchy by placing it next after the Bloc states and ahead of Yugoslavia on the list

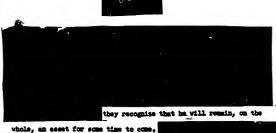
of May Day greetings and by such minor but significant moves as referring to the Cuban Premier as "Comrade Fidel."



7. In yielding to Castro's desire to have Cuba brought into a closer relationship with the Bloc, the Sowiet leaders have made a significant concession. That they should have done so, fully aware of Castro's undisciplined nature, is a measure not only of the importance they attach to Cuba, but also of the narrow field of choice open to them.

8. The Soviet Union has also unde a considerable concession in its agreement to supply a line of credit for the purchase of consumer goods. It has, in effect, reaffirmed its villingness to pay the increasing costs of keeping Cubs affort, despite the Cubans' failures in the field of economic reorganization and development.





10. On belence, Castro is in a stronger position now then appeared likely a few months ago. He has esserted his leadership and it has been accepted by the USSR and by the "old" Communists in Cuba. He has demonstrated remarkable political skills and an ability to engage in carefully calculated meneuvers which had been obscured by his generally erratic and bombestic behavior. He seems to be well in control of the apparatus of government and security. His attack on Escalante and the efforts of the "old" Communists and the reshuffling of the top leadership of the CRI

and the Armed Forces have apparently satisfied the majority of the "mass" Communists, who were becoming restive. At the same time he has retained the cooperation of the "old" Communists and the USSR. He probably believes that he can handle them and that both the "old" Cuben Communists and Moscow must continue to accept him as the indispensable man in Cuba.

11. The USSR is becoming more deeply committed to the preservation and advancement of the regime in Cuba.

- 12. The capabilities of the Cuban Armed Forces to suppress insurrection or repel invasion have been greatly enhanced by the Bloc's provision of military equipment and instruction and by a thoroughgoing reorganization initiated in the fell of 1960. This reorganization and concemitant training programs are now well advanced, although not completed.
- 13. Up to Bloc military advisers and instructors are believed to be now in Cuba. Bloc advisers are probably assigned to the principal staffs throughout the military establishment.

 Most of the instructors are stationed at established military schools and training areas. In addition, several hundred Cuban military personnel have received or are receiving military instruction in Bloc countries.
- 14. Almost certainly the present military establishment as a whole is politically reliable. Successive defections and purges have eliminated the seriously disaffected elements. The principal



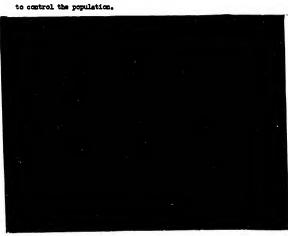
commanders have been selected for their personal loyalty to the Castro brothers. Great attention has been paid to the political indoctrination of the troops. Murale probably has been adversely affected, in some instances, particularly among reserve components, by the discontent of the general population. However, the military establishment as a whole will almost certainly support and defend the Castro regime, unless its overthrow seems imminent.

15. The Cuben ground forces are believed to consist of a standing army of about men and a ready reserve of about
men. Some of the standing army personnel serve as full-time cadres
in ready reserve units. In addition, there are home guard type
militia units numbering about men.

16. The standing army has received intensive training in the use of Bloc-supplied arms and equipment and tactical training through the battalion combat team level. It has acquired capabilities for the combat employment of armor and artillary (including antiaircraft and antitank weapons) hitherto unknown in any Caribbean country.

17. The ready reserve battelions are less heavily armed and less thoroughly trained. Each has a full-time cadre varying from men. The remaining personnel are available for only one or two drills a week and a month of active duty training each year. The arms are kept in the custody of the full-time cadre. These battalions are based on places of employment and are generally capable of rapid mobilization.

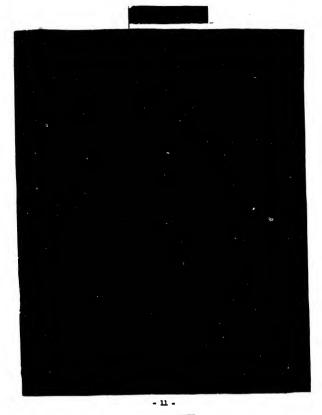
16. The home guard militia units have no significant combat capability. Their function is to augment the police as necessary to control the population.



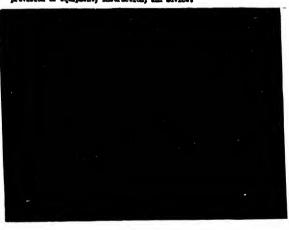
. . .

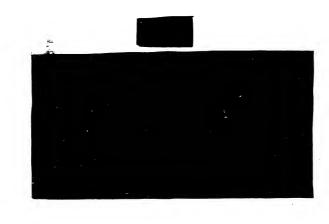
ground

22. The Cuban/week forces are well able to/essense the general likely to develop population and to suppress any popular insurrection the transferences in present circumstances. They have not been able to eliminate the low level of sporadic guerrilla activity which now exists in Cuba, but they are probably capable of containing and controlling any threat to the regime through guerrilla action.



26. The capabilities of the Cuben Armed Forces will continue to improve through further training and experience. The Bloc will almost certainly continue to support this development through the provision of equipment, instruction, and edvice.





30. Mid-year 1962 finds the Cuban economy in deepening trouble. A highly vaunted economic plan and the record budget officially sancunced for 1962 have by now, for all practical purposes, been abandoned. The pervasive disruption which was evident in industry and transportation last year manifested itself this year in the agricultural sector as well, most conspicuously in the sugar industry, the very heart of the economy and the principal earner of

foreign exchange.

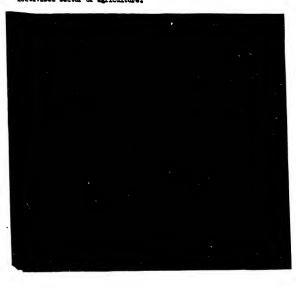
The 1962 sugar crop was hard hit by a prolonged drought, growing spathy and passive resistance among the cane-cutters, and bad managerial judgment -- such as the decisions to reduce the rate of replanting and to divert cane land to other crops.

32. With respect to other agricultural products duba has clearly not achieved the much needed expansion called for under the regime's plans. Cube's own production of food has remained insufficient to support the population, and food rationing has become necessary. Nearwhile, in the industrial sector the deterioration of plants, equipment shortages, poor quality of raw materials, and gross mismangement continue. Because of the US embargo and the shortage of foreign exchange, the Cubans have not been able to find adequate sources for the machinary and parts formerly imported from the US and other Western countries. Only the first beginnings have been made in the reconstruction of Cuban industry with Bloc equipment;

Mismanagement of plants by unqualified personnel, often selected for their political reliability, continues to be the rule.

33. The regime has responded to the agricultural crisis with a series of changes in policy and organization.

New regulations have been amounced easing governmental controls over private farmers and tightening controls over the collectivized sector of agriculture.



35. Outen economic prospects for the remainder of 1962 and for 1963 are bleak. Oute will not be able to build up significantly its dangerously low holdings of convertible foreign exchange. The expected increase in capital imports from the Bloc is unlikely to

bring about not growth of Cube's economy in the next 18 months

The effect of the new agricultural policy remains uncertain; in any case it could not result in a significant increase in production within the next year or so. Supply and management problems will continue to plague industry; transportation difficulties will probably get worse. No substantial overall improvement in the Cuban economy is likely to occur for several years. 36. Active support for the Castro regime has declined

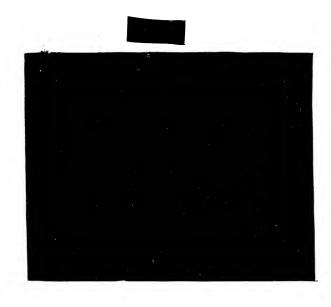
The hard core of this support consists of those who have a vested interest in the revolution, especially the new managerial class and the Communists. Others support the revolution because they have been influenced by indoctrination and participation in the mass organizations.

37. Disaffection is increasing primarily because of the growing inability of the regime to provide the goods and services to which most of the Cuban people have been accustomed. The shortages of food, ordinary household items, medicines, public transportation, etc., was underscored, in terms understandable to the individual Cuban, the regime's failure to live up to its original promise. Others have become bored with years of repetitious propagands. One factor which is likely to have an increasingly adverse effect on public attitudes is the deterioration of public health conditions and services.



36. The majority of the Cuben population has for some time been indifferent toward the regime.

39. In the past four months Fidel Castro and other regime spokesmen have themselves acknowledged two causes of popular discontent and have begun corrective measures. One of these is the dissatisfaction and insecurity aroused by the increasingly obvious "old" Communist tekeover which threatened to destroy the loyalty of a large segment of the "new class" until Castro took action in March. The other is the fear of collectivization on the part of farmers, which the regime has also taken steps to allay. Public hostility to Communist regimentation is likely to continue to be a factor in the ability of the regime to control the population, but it is the effect of such regimentation on them personally, rather than communism itself, that seems to arouse the Cuban. Increasing communization is likely to continue to provoke discontent



42. There has been some increase in active resistance to the Castro regime despite its massive and expanding security apparatus and its constant efforts to intimidate, harass, and immobilize those who take action against the government. The Armed Forces are used extensively to guard against sabotage, to control public demonstrations against the regime, and to sweep areas of rebel activity. The Ministry of Interior, run by a loyal Castro follower, exercises checks and controls over the Cuben public through its extensive police apparatus, its natural of informants in the Committees of Defense, and the antisabotage Peoples' Defense organization. Between 400 and 500 thousand Cubans — one in every 14 — are involved in this elaborate security machinery.

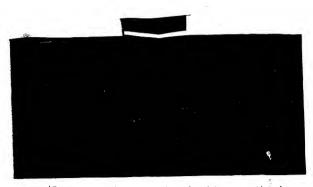
43. This widespread security effort by the Castro government does effectively limit and harass the active opponents of the regime. Nevertheless, there are at least six nationwide resistance groups in Cube with a claimed membership ranging from a few



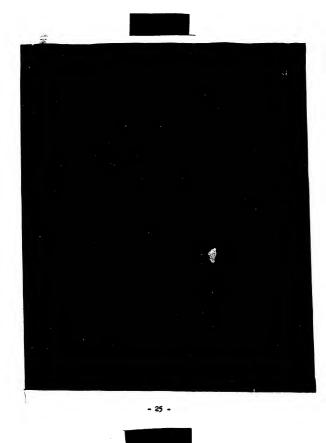
hundred to a few thousand, only a small part of whom are active at any one time.

45. There is some coordination of the activities of the national

45. There is some coordination of the activities of the national organizations and there have been reports of a recent agreement among them for unified action. In practice, however, activities tend to be planned, directed, and carried out on a local level.



47. At present the primary effect of resistance operations is psychological: they are an embarrassment to the regime and force it to commit large resources to meet security requirements.





52. Castro seems to have no doubts about the desirability of facing the rest of the world as a member of the "Socialist camp."

Be will continue to associate Cuba with the Bloc and to seek to make the most of Soviet commitments. For their part, the Soviets must regard the situation in Cuba as a net gain for their international position, despite the misgivings they must feel about the Latin American reaction to the proclamation of an avovedly Communist regime in Cuba

53. Castro's vitriolic enti-US position continues unchanged.

Anti-Americanism is deeply ingrained in the regime and in much of
the Cuban populace. The authority of the regime depends in significant part on its so-far successful defiance of the US, and the regime is unlikely to see any advantage to be gained by changing its
attitude toward the US.

- 5%. The Cuban regime continues to try to appeal to the Afro-Asian neutralist bloc, even while proclaiming its adherence to Marxisu-Leninism. It seeks to play a role at such neutralist-sponsored conferences as the "World without the Bomb" meeting in Ghana and the underdeveloped nations economic conference in Cairo. However, the conduct of the Cuban emissaries at these meetings has generally been such as to antegonize the Afro-Asian neutrals.
- 55. The appeal of Castroism has dimmed considerably in other Latin American states as a consequence of the Cuban leader's avowal of Marxism-Isninism, his obvious toadying to the Bloc, and the self-acknowledged failings of the regime. After a period in which Castro and Cuba were the focus of attention through the area, Latin Americans have turned back to their own problems. However, there are militant pro-Castro minorities in several Latin American states and many neutralists and protagonists of reform who look with favor on Castro.
- 56. Mexico, Brazil, Chile, Bolivia, and Uruguay are now the only Latin American countries maintaining diplomatic relations with Cuba. Relations between Cuba and Uruguay have been strained

os secount of the nearly 400 asylees in the Urugusyan Embassy in Esvana.

57. Cuban leaders, although preoccupied with domestic problems, still seek to assert Cuban leadership of the "inevitable"
revolution in Latin America. They have been very active in
attempts to organize a new and ostensibly neutral Latin American
labor organization. Cuba operates schools for indoctrinating
and training in guerrilla varfare Latin American students
who eventually return home to apply what they have learned.

58. Communist parties in other Letin American states have been disturbed by events in Cuba, and particularly by the Soviet Union's acceptance of Castro as a Communist, because they feel that the role and the prerogatives of veteran Communists have been cast



in doubt. Uruguayan Communists were disturbed by statements made by Blas Roca at a Communist Party meeting in Monterideo to the effect that it had been demonstrated that a non-Communist could lead a successful revolution against the capitalists and imperialists.

59. The present image of the Castro regime in Latin America is that of a client of the Bloc and a failure in the conduct of its own affairs, particularly in the important area of economic develop-





AHNEX

INVENTORIES OF THE CURAN ARMED FORCES

TABLE 1: GROUND FORCES

TABLE 2: NAVY

TABLE 3: AIR FORCE (CRAAF)

Page(s) Annex 1-5

are denied in its/their entirety.

Exemption(s): (b)(1) and (b)(3)